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SECURITY INFORMATION

### CENTRAL INTRLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

3 July 1952

STAFF MEMORANIUM NO. 250

SUBJECT: Indications of Possible Frictions in Sino-Seviet Relations

- 1. A number of developments in the past six months may indicate certain frictions in the Sino-Soviet relationship. While cautioning against overestimating these scattered indications, we nevertheless feel that they merit notice, particularly insofar as they might affect our existing estimate of general unanimity in the Sino-Soviet relationship.
- 2. Indications suggest that within China there is considerable sensitivity concerning the need to "lean to one side" and the existence and influence of Soviet advisors. There is insufficient evidence on which to estimate in what elements within China this sensitivity is centered.
  - a. In January-February 1952, on the occasion of the second anniversary of the Sino-Soviet Treaty of 1950, newspaper articles by Li Chi-shen, vice-Chairman of the Central People's Government;

    Smu-t'u Mei-t'ang, member of the Chinese People's Political Consultative Conference; and Chang Lan, chairman of the China Democratic League, all either openly admitted or clearly implied the existence of anti-Soviet sentiments within China and all justified the regime's policy of "leaning to one side" as a necessary concomitant of repudiation of the West. It is interesting further to note that, surprisingly, none of these articles was reprinted in the Shanghai News, English-Language organ of the Central People's Government in East China.

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- b. A 2 June 1952 Peiping broadcast criticizing
  "bourgeois thought" admits considerable resistance
  among Chinese engineer and administrative personnel
  in the coal and petroleum industries to government measures taken on the recommendation of
  Soviet advisors. It may be of interest that in
  each case cited the Soviet advisors recommended
  against developing new mines and oil fields.
- c. In the considerable number of references to Soviet advisors and delegates attending recent conferences in Peiping, there is an apparent effort in Chinese demestic broadcasts to voice the regime's approval and appreciation of the Soviet nationals' presence, and an inference that this approval is meant to counter public uneasiness.

The above examples suggest only the necessity for domestic justification of China's policy of "leaning to one side," and do not constitute open official criticism of the USSR. On the contrary, there is abundant evidence that, at least ostensibly, Peiping does not question Soviet advice and indeed insists to its people that China must learn from the USSR and from Stalin.

- 3. While there is no evidence of Chinese criticism of the USSR, there have been indications recently which suggest possible rivalry between Moscow and Peiping for predominant influence over the rest of Asia.
  - a. The circumstances surrounding the recent note (11 June) of the Soviet Mission in Tokyo to the Japanese Government the manner of its presentation, its tone, and Moscow's and Peiping's reactions to it all suggest the possibility of a unilateral wooing of Japan by the USSR that thus far has not had the approval of Communist China. The note was delivered to the Japanese Foreign Office not by a Soviet occupation officer, but by the Soviet Vice Consul. The note was conciliatory in tone, spoke of "the Japanese Government," and surprisingly made no reference whatsoever to China. Since 11 June, Radio Moscow has

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given wide publicity (21 broadcasts beamed to the Far East) to this Soviet note. Radio Peiping, on the other hand, has ignored the subject completely, even on the news-item level.

Radio Peiping's comment on the recent preparatory session of the Asian Peace Conference (scheduled for late September, 1952) provides frequent testimonitis to: (1) Communist China's preponderant role in the peace struggle, and (2) the Chinese revolution as the principal source of inspiration to the liberation and peace movements of Asia. The leading Moscow commentary on the same event, however, claims similar honors for the Soviet Union. An IZVESTIA editorial cites the Russian Revolution as the source of inspiration for Asian liberation movements and marks the rout of Germany and Japan in World War II as providing the second major impetus to these movements. The results of the preparatory session of the Conference are construed by Moscow as a confirmation of the fact that in their struggle for peace the peoples of Asia are "inspired by the precepts of the standard-bearer of peace, Comrade Stalin." Although acknowledging China's position as a powerful factor of peace and democracy in the East, the IZVESTIA article treats it as part of a series of achievements (including the Korean, Vietnamese, and other Southeast Asian liberation movements) made possible by the October Revolution and the defeat of Germany and Japan. Allusions to the Soviet role in the struggle for peace are almost absent from Peiping comment. The only reference noted praises the policy of China and the Soviet Union in stopping American aggression in Korea and thus preventing a third world war. Otherwise Peiping does not involve the Soviet Union in comment on the conference, not even as the familiar "leader of the camp of peace."

h. Another issue in Sino-Soviet relations is the future status of the now jointly-administered Manchurian railways. It will be recalled that in February 1950 the USSR obligated itself to

transfer without compensation to the Government of the People's Republic of China all its rights

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to joint administration of the Chinese Changehun Railway with all property belonging to the Railway. The transfer shall be effected immediately after the conclusion of a peace treaty with Japan, but not later than the end of 1952. (Our italics)

There have been indications suggesting the continuance of Russian participation in the railways, possibly beyond 1952. A number of recent Peiping broadcasts laud the gains made by the Changchun Railway as a result of Soviet participation, and do not mention the Soviet obligation to return its rights in the railway to China by the end of 1952. An 11 June Peiping broadcast further clouds this question by announcing the appointment, under the "rule of rotation," of new joint directors "for the current year," without referring to the future status of the railway or without even defining what is meant by "the current year."

- Ambassador in Peiping may have no major significance so far as Far Eastern affairs are concerned. On the other hand, if there is indeed some pattern of Sino-Soviet frictions behind the indications discussed above, then the appointment of Panyushkin, a Far Eastern expert and former major-general, may have been at least as significant as the moving of Gromyko to London.
- There is not sufficient evidence upon which to base any firm estimate concerning the possibility of significant Sino-Soviet friction. The strongest theses that can be advanced are: (a) that there possibly is considerable resentment within China concerning the extent to which the regime is "leaning to one side;" (b) that although there is no open Chinese criticism of the USSR, there may be competition between Peiping and Moscow for predominant influence in Japan and the rest of Asia; (c) that the future status of the Manchurian Railway may not have been as yet actually determined; and (d) that the appointment of Panyushkin may reflect Soviet concern for its relations with Peiping. Having thus stated the maximum interpretation possible from existing indications, we should now point out that these scattered developments may, on the other hand, have no significance whatsoever. As between the maximum and minimum possible interpretations, we must lean toward the latter. We do not believe, therefore, that there exists any basis in fact for altering our existing estimate of relative harmony in Sino-Soviet relations. We do believe that the developments discussed above merit continued watching.

